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IAN M. DRYSDALE

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SUTHERLAND ASBILL & BRENNAN LLP
999 PEACHTREE STREET, N.E.
ATLANTA, GA 30309

EXAMINER

BORLINGHAUS, JASON M

ART UNIT

PAPER NUMBER

3693

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/466,271	Applicant(s) DRYSDALE, IAN M.	
	Examiner JASON M. BORLINGHAUS	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 January 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-8, 10-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-8 and 10-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114 was filed in this application after a decision by the Board of Patent Appeals and Interferences, but before the filing of a Notice of Appeal to the Court of Appeals for the Federal Circuit or the commencement of a civil action. Since this application is eligible for continued examination under 37 CFR 1.114 and the fee set forth in 37 CFR 1.17(e) has been timely paid, the appeal has been withdrawn pursuant to 37 CFR 1.114 and prosecution in this application has been reopened pursuant to 37 CFR 1.114. Applicant's submission filed on 1/05/09 has been entered.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1 – 3, 5 – 8, 10 – 15 and 17 - 19 are rejected under 35 U.S.C. 103(a) as being unpatentable over Muftic (US Patent 5,850,442) in view of PR Newswire (*General Instrument's Digital Interactive Cable TV Set-Top Terminals To Become The Latest New Acceptance Device For Smart Cards*. PR Newswire. New York. December 10, 1998. p.1) and Booker (Booker, Ellis. *New System A Welcome Guest at Hyatt*. *Computerworld*. vol. 25, iss. 28. July 15, 1991. pp. 51 – 53).

Regarding Claim 1, Muftic discloses a method of performing a card transaction using a transaction card, the method comprising:

- accessing a web server of a merchant service provider (logged on to a server) via an Internet service provider using a transaction device (card reader) during a transaction (electronic commerce/electronic payment) involving a transaction card (smartcard). (see col. 7, lines 14 – 64; col. 10, lines 26 – 39);
- the web server includes commands for processing transaction information associated with the transaction card to obtain authorization (authentication) from the merchant service provider (server) for the transaction; (see col. 7, lines 14 – 64);
- entering the transaction card (smartcard) into a card reader of the transaction device in order to enter transaction information (read...smart tokens) associated with the transaction card into the web server during the transaction. (see col. 10, lines 27 – 48);

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- wherein the transaction device (card reader) utilizes merchant service provider software or merchant service provider network (web) for the transaction information to be processed to obtain authorization (authentication) from the merchant service provider. (see col. 10, lines 26 – 39; col. 12, lines 39 – 58); and
- wherein the transaction device (card reader) accesses the web server by accessing merchant service provider network web). (see col. 12, lines 39 - 58).

Muftic does not explicitly state that the transaction device can process a charge card, a credit card and a debit card, although smartcards such as charge cards, credit cards and debit cards (bank cards or credit cards) are old and well known in the industry. (see col. 4, lines 47 – 65).

It would have been obvious to one of ordinary skill in the art to have modified Muftic by incorporating the ability to process charge cards, credit cards and debit cards, as suggested by Muftic, thereby processing smartcards which are standard and conventional for conducting business transactions.

Muftic does not teach a method wherein the transaction device does not utilize any merchant service provider proprietary software or any merchant service provider proprietary network for processing.

Utilization and implementation of non-proprietary software to complete card-based transactions is old and well known in the art of computer programming and ecommerce, as evidenced by PR Newswire which discloses the development of the

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Visa Open Platform, “a flexible non-proprietary platform that enables that fast and easy development of globally interoperable multiple application smart card systems.” (see p. 1). The Visa Open Platform has been accepted to allow transaction devices (GSM mobile phones) to complete transactions (load applications onto smart cards). (see p.1). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic by incorporating non-proprietary software onto the transaction device to complete the transaction, as disclosed by PR Newswire, allowing “fast and easy development” of said card-based system, furthering Muftic’s stated motivation of developing a system for electronic transactions to occur over “an open network.” (see col. 1, lines 19 – 22).

Utilization of a non-proprietary network and the benefits of non-proprietary technology and/or software, in general, is old and well known in the art of information technology as evidenced by Booker which discusses the switch from “a proprietary to a nonproprietary wide-area network” that resulted in financial savings “in leasing fees and maintenance” and allowed them “to respond [more] quickly to changes in the marketplace.” It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic and PR Newswire to incorporate a non-proprietary network and non-proprietary technology, in general, as disclosed by Booker, to allow the system to capture the benefits of non-proprietary technology.

Furthermore, based upon the benefits of non-proprietary technology and/or software, as disclosed by Booker, one of ordinary skill in the art at the time the invention was made to have further modified Muftic, PR Newswire and Booker by eliminating as

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much propriety technology and/or software as possible, if not all proprietary technology and/or software, from the system to capture the benefits of non-proprietary software and/or technology.

Regarding Claims 2 – 3, 5 – 8 and 10, Muftic discloses a method further comprising:

- accessing a web server comprises accessing a web page (home page) of the web server, and wherein the web page includes commands for processing the transaction information (order information). (see col. 13, lines 28 – 39);
- entering (fills in) additional transaction information (electronic ID of the seller and the amount) into the web server via the transaction device (computer). (see col. 14, lines 37 – 58);
- entering additional transaction information using a keypad (keyboard) of the transaction device (computer). (see col. 10, lines 27 – 39);
- displaying information on a display device (display) of the transaction device (computer). (see col. 10, lines 27 – 39);
- displaying information includes displaying an advertisement (company's home page/ yellow pages' listing) downloaded from the Internet (web). (see col. 20, lines 10 – 37);
- displaying information includes displaying an electronic coupon (certificates of insurance) downloaded from the Internet (network). (see col. 20, line 68 – col. 21, line 17); and

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- updating the commands of the web server (loading authentic information into a server). (see col. 12, lines 5 – 40).

Regarding Claim 11, Claim 11 recites similar limitations and/or would have been obvious based upon Claim 1 rejected above, and is therefore rejected using the same art and rationale as applied in the rejection of Claim 1. Differing claim limitations of Claim 11 are taught by Muftic such as a method wherein:

- the transaction information includes an account number associated with the transaction card (Credit_Card domain of a smart token...contains identifying information about the credit card company, the account name and number). (see col. 14, lines 20 – 33).

Regarding Claims 12 - 15, such claims recite substantially similar limitations as claimed in previously rejected claims and, therefore, would have been obvious based upon previously rejected claims or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized.

Regarding Claims 17 – 19, Muftic discloses a method:

- wherein the card transaction involves a smart card. (see col. 10, lines 26 - 48);
- wherein the transaction device comprises a point of service terminal (terminal) at a merchant or retail location (commercial establishments). (see col. 4, line 60 – col. 5, line 5); and

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- further comprising transmitting information (drawing on line of credit/obtaining cash value) to and from a merchant service provider via the transaction device (terminal) and the web server (server). (see col. 4, line 60 – col. 5, line 5).

Claims 4, 16 and 20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Muftic, PR Newswire and Booker, as applied to Claims 1 and 15, and further in view of Athing (US Patent 5,987,498).

Regarding Claims 4, 16 and 20, Muftic discloses a method of performing a card transaction, the method comprising:

- further comprising entering (inputting) additional transaction information (seller ID and amount). (see col. 14, lines 37 – 58);
- further comprising displaying information on a display device (display) of the transaction device (computer). (see col. 10, lines 27 – 39);
- further comprising providing an electronic signature (digital signature). (see col. 13, lines 40 – 48).

Muftic does not teach underlined limitations using a pen nor a touch-sensitive screen of the device.

Athing discloses a method of performing a card transaction, the method comprising using a pen nor a touch-sensitive screen of the device. (see col. 6, lines 35 – 46).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Muftic, PR Newswire and Booker by incorporating conventional input and display devices such as a pen and touch sensitive screen, as disclosed by Athing, to further facilitate communication over the network.

Response to Arguments

Applicant's arguments filed 1/05/09 have been fully considered but they are not persuasive.

§ 103 Rejection

Applicant argues that newly amended claim language differentiates the claimed invention from the asserted prior art. The newly amended claim language being a method or system wherein:

- the transaction device can process a charge card, a credit card and a debt card; and
- the transaction device does not utilize any merchant service provider proprietary software or ant merchant service provider proprietary network.

Specifically, Applicant argues that the cited prior art fails to disclose or suggest the modifications asserted by the Examiner and takes special note that "Booker relates to reservation and database systems rather than card transaction systems."

First, the Courts have stated that "[a] suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior

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art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references...The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art... there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *In re Kahn*, 78 USPQ2d 1329, 1336 (CAFC 2006). Examiner asserts that he can and/or has provided such "articulated reasoning" to support the legal conclusion of obviousness.

Second, the Courts have stated that "[w]hen a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill." *KSR Int'l Co. v. Teleflex, Inc.* 127 S. Ct. 1727, 1740, 92 USPQ2d 1385, 1396 (2007).

In the instant case, the cited prior art references were available in the field at the time of the purported invention. The Applicant merely implemented a variation of the existing elements present within the prior art in establishing his/her own invention, either through substitution and/or combination of such prior existing elements. Where, as here "[an application] claims a structure already known in the prior art that is altered by the mere substitution of one element for another known in the field, the combination must

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do more than yield a predictable result,” *KSR*, 127 S.Ct. at 1740, 82 USPQ2d at 1395 (citing *United States v. Adams*, 383 U.S. 50-51, 148 USPQ 479, 483 (1966)).

Furthermore, in the instant case, each incorporated element performs the same function and/or provides the same utility as intended in their original state, and therefore yields a predictable result.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JASON M. BORLINGHAUS whose telephone number is (571)272-6924. The examiner can normally be reached on Monday - Friday; 9am - 5:30pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner’s supervisor, James A. Kramer can be reached on (571)272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jason M Borlinghaus/
Examiner, Art Unit 3693
March 25, 2009